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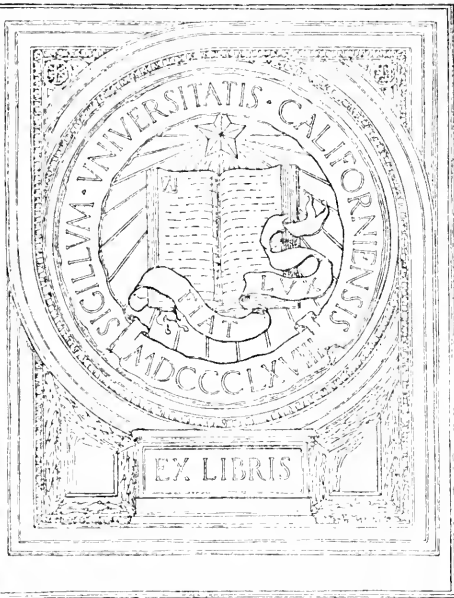
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Letters...to the Chairman...
of the East-India Company, upon
an Open Trade to India

By
Henry Dundas,
Viscount Melville

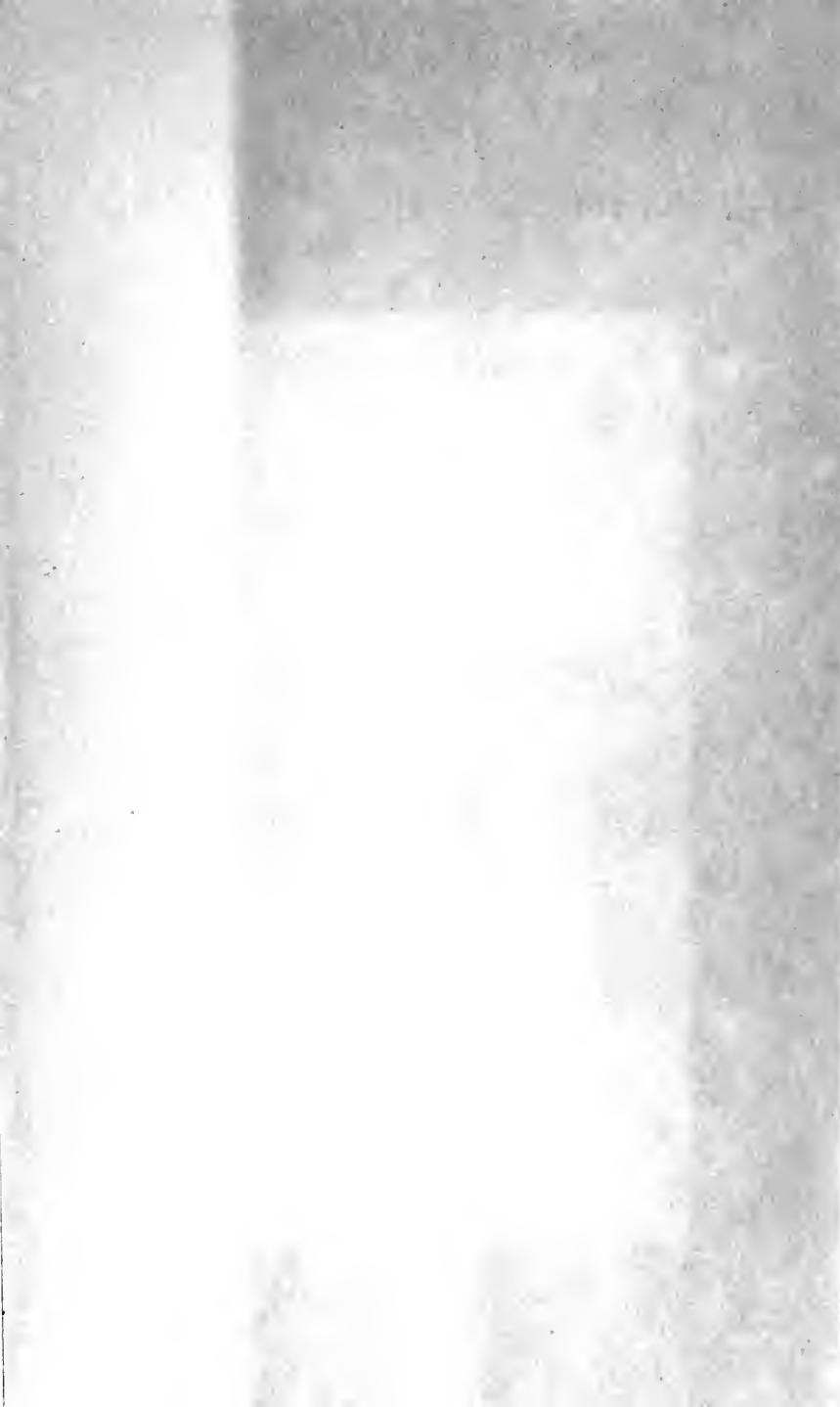
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LETTERS

FROM THE

RIGHT HON. HENRY DUNDAS

TO THE

CHAIRMAN

OF THE

COURT OF DIRECTORS

OF THE

EAST-INDIA COMPANY,

UPON

AN OPEN TRADE TO INDIA.

LONDON:

**PRINTED FOR J. RICHARDSON, UNDER THE ROYAL
EXCHANGE.**

1813.

Price 1s.

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CITY OF LONDON
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James

WITH a strong conviction on my mind of the serious consequences which must inevitably result to the City of London from the avowed plan of Ministers to allow a direct trade between India and the Out-ports of the United Kingdom, and convinced also, from experience, of the very great benefits which have arisen from the mode in which that trade is at present conducted, I feel I am only discharging a duty I owe my Fellow Citizens, in bringing to their notice the sentiments expressed by a most able Statesman on the question of an Open Trade with India, when that subject was publicly agitated at a former period.

A LONDON MERCHANT.

London,
January 7, 1813.

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LETTER

FROM THE

RIGHT HON. HENRY DUNDAS,

&c. &c.

Somerset Place, 2d April, 1800.

SIR,

THE subject of this letter is the question of private-trade and India-built shipping, on which I am anxious to lay my sentiments before the Court, in order to attract their early attention to a decision upon it; believing that, from the state in which the question is now left, much mischief results to the interests, both of the East-India Company, and of the public at large.

I feel the more anxious to come forward on this subject, because it is impossible for me not to observe a shyness on all hands to come to the

discussion : and I am not surprized at it ; because, so far as my reading or observation goes, there never was any question where those who differ upon it went into such opposite extremes, as those have done who have taken an active part in the agitation of it. This very circumstance emboldens me to step forward in the manner I am now doing ; because it being my lot to agree in the extreme of none of the opinions which have been held out to the public consideration, I am the more likely to suggest some proper medium between those extremes, which may bring together the discordant sentiments which are entertained upon it.

In the first place, I set out with disclaiming being a party to those opinions, which rest upon any general attack of the monopoly of the East-India Company, either as to the government or commerce of India. My sentiments, in that respect, remain exactly the same as they were when I moved the renewal of the Charter, in 1793 ; and, if any thing, I am still more confirmed in the principles I brought forward at that time. That a direct interference by Go-

verment in the affairs of India is necessary for
 their stability and uniformity, I am more and
 more convinced; but that the ostensible form
 of government, with all its consequent extent
 and detail of patronage, must remain as it now
 is, I am persuaded will never be called in ques-
 tion by any, but those who may be disposed to
 sacrifice the freedom and security of our Consti-
 tution, to their own personal aggrandizement
 and ill-directed ambition; I remain equally
 satisfied, as to the propriety of continuing a
 monopoly of the trade in the hands of the East-
 India Company. Those who maintain the re-
 verse, appear to me to be misled by general
 theories, without attending to the peculiar cir-
 cumstances of the trade they are treating of.
 Viewing it, even as a mere commercial question,
 I believe this proposition to be a sound one;
 and if the trade were laid open, the supposed
 advantages thence arising are at best very pro-
 blematical, and would certainly be very preca-
 rious and short lived. It is, however, totally
 to forget the question, to treat it as a mere
 commercial one. The same principles which

prove the necessity of the present form and mode of Indian government, evince the necessity of the monopoly of trade. The Government and the trade are interwoven together, and we have only to recur to a very recent experience, to learn the immense advantages which have flowed from that connection of Government and trade. By the commercial capital of the Company at home, acting in connection with the public revenues under their administration abroad, they have mutually aided and administered to the wants of each other, and the result has been, the fortunate achievement of those brilliant events, upon the success of which depended the existence of the Government, the territorial wealth, and the trade of India.

You will observe, Sir, that it is not my intention at present, to argue those topics at large; but merely to state the principles I hold upon such topics, as may appear to be connected with the subject I wish to bring more particularly under your consideration.

With the same view, it is, that I find it ne-

cessary to say a few words upon the subject of what is called the Shipping Interest of the East-India Company. Upon that subject, there seems to be a greater abuse of terms, and a more palpable confusion of ideas, than upon almost any other part of this complicated question, in so far as any person is loud in declaiming against the abuse of that great interest being confined exclusively to a few hands, who, by such a monopoly, might have it in their power to dictate such terms as they pleased to the East-India Company. On the subject of freights, I am as prepared as any man to join in crying down that abuse. But I am equally adverse to the sentiments of those who contend, that the great interest of the Company's trade is to be left to the chance of the market at large; and that the extent of the freight is either wholly, or primarily, to be the exclusive object of the Company's attention. I am decisively of opinion, that both on views of public policy and commercial security, the same description of ships should be continued in the Company's service, built under the same inspection and

regulations, fitted and found, in every circumstance, in the same respectable way they have hitherto been ; and though every partiality and lavish extravagance is to be avoided, a freight fully adequate to secure those advantages, ought not to be churlishly withheld. To what extent of shipping of this description the Company ought to go, will be the subject of more minute discussion in a subsequent part of this letter.

Having, I trust, made myself distinctly understood on those leading points, I proceed next to state, what I hold to be equally uncontrovertible, that although the Legislature has, for the wisest purposes, given a monopoly of trade to the East-India Company, it is a monopoly attended with these two material circumstances:

1st. That the exportable produce of India exceeds what at present the capital of the East-India Company is capable of embracing.

2d. That the monopoly of the East-India Company does not rest on principles of colonial exclusion : for the trade, to and from India, is open to the subjects of other countries in amity with Great Britain. We must therefore accu-

rately attend to the considerations which naturally result from those last-mentioned circumstances.

If it be true, that the trade to be carried on by the East-India Company must, of necessity, be limited by the extent of their capital, the natural question is,—what is to become of the remainder of it? Is it to be left exclusively to foreign nations, or is the monopoly of the Company to be so modified in the exercise of it, as to open this surplus market to the capital of British subjects? This is a mere question of policy, to be decided on principles of expediency and sound discretion, upon a due attention to all the considerations which enter into the discussion of it. And although nothing could be more invidious and impolitic, than to attempt to apply the principles of colonial exclusion to other independent nations, nothing certainly can be more just or natural, than that those nations who trade to India, should trade there on their own capitals; and that the capital of the British subjects, resident in India, should be brought home to this country, in the manner

most beneficial to their own interests and to that of the mother country, where it is desirable all that capital should ultimately settle. This proposition, then, clearly points out the true appropriation of the surplus produce of India. When I state this, I am, at the same time, free to declare, that I totally disapprove of attempting to accomplish this by penal restrictive statutes. All such ever have been, and ever will be, nugatory, when resorted to for such a purpose. Trade never can be regulated or directed by any other certain rule than the interest of those concerned in it. But it is so much the interest and natural bent of a British subject to send his fortune to that country which gave him birth, and where he means to close his days, that nothing but the most unnatural and impolitic restraints can suggest to him a desire to do otherwise.

But, obvious as this principle may appear to be, it requires accurate attention, in the application of it to the subject in question. If I am asked, whether, in stating this principle, I mean that the trade to and from India, in the common use of the terms, ought to be free

and open to all His Majesty's subjects in India? I answer distinctly in the negative. The nature of the Indian manufacture, and the immemorial habits of the manufacturers, exclude the practical application of so indefinite a principle to the export trade from India. The manufacture of the finer and more valuable fabricks of India have always been produced by advances from the Government, or individuals, for whose behoof those fabricks are manufactured; and if the dealing with those manufacturers was to be laid open to the uncontrolled competition of every individual, the consequence would be a boundless scene of confusion and fraud, and ultimately, the ruin of the manufacturers themselves. It is unnecessary for me to detail this part of the subject at any length, because it is so clearly and ably explained in a letter from Lord Cornwallis to the Court of Directors, dated 1st November, 1788, that I have only to refer you and the Court to the careful perusal of it. The whole of it is worthy of your serious attention, but paragraphs 24 to 31 inclusive, are those to which I particularly re-

fer, as bearing on the present question. It is not the purpose of the present letter to point out what the precise regulations ought to be ; but it is obvious, that those employed in the agency of such a trade should be controled by such regulations, as may be requisite to secure, both to the Company itself and to other individuals, the full benefit of those advances they have made to the manufacturers of Indian fabricks.

It is immediately connected with the observations last offered, to consider, by what agency is the trade of individuals in India to be carried on? If this question was to be decided on the principles of an open and free trade, the answer to the question would be, that every individual should send out, or employ, any agent he thought best to manage his own business. But from what I have already stated on the former point, you will anticipate my opinion on this ; namely, that no agent should be employed in India, or permitted to reside there, except with the licence of the East-India Company, and subject to the control of such regulations as the habits, prejudices, and trade

of the country may render expedient. In addition to every other consideration, arising out of the peculiar nature of the trade and manners of the country, there is one decisive circumstance against the tolerance of every unlicensed adventurer in India. It would rapidly, though insensibly, lead to the settlement and colonization of the worst kind of adventurers taking root in that country, than which there could not be a more fatal blow to the permanence of the British power and pre-eminence in India. No principle ought ever to be tolerated or acted upon, that does not proceed on the basis of India being considered as the temporary residence of a great British Establishment, for the good government of the country, upon steady and uniform principles, and of a large British factory, for the beneficial management of its trade, upon rules applicable to the state and manners of the country.

From these premises the conclusion I draw is, that the surplus produce of India, beyond what the appropriated capital of the East-India Company can bring home, should be considered as

the means of transferring the fortunes of the servants in India to Great-Britain ; and that the commerce should be managed there, either by the parties themselves interested in it, or by their agents, acting under the license, and subject to the controul and regulations of the East-India Company.

The question which naturally follows is,—by what mode of conveyance is that trade to be brought home ? I answer, by the India-built shipping. Upon the policy and beneficial tendency of this measure, I have only to refer you to the unanimous opinion of all your ablest servants in India, who have, from time to time, and in the most explicit terms, pointed out to you the expediency of this indulgence, both with a view to a just attention to the interests of your servants in India, and with a view to make Britain the great emporium of the Trade of Asia. Indeed, nothing has hindered your servants abroad, sanctioned by the express advice of your Board of Trade, from acting upon these principles at different times, but the great quantity of unemployed shipping sent out by

the East-India Company. I trust henceforward you will see the wisdom of desisting from such a wasteful system. If you fix the capital you mean to apply to investment, and accurately direct your servants to provide that investment, there can be no occasion for any extra shipping. Your investment and shipping will correspond accurately together, and your commerce be systematically conducted. I mean, in a separate letter, to treat of what the amount of that investment ought to be, and what are the means by which it is to be provided. At present I mean only to state, that whatever the regular investment is, it ought to be brought home in the regular home-built ships, to which I have referred in the beginning of this letter. If any accident shall befall any of those ships in their outward passage, or if any circumstances exist to render it expedient for you to bring home gruff goods, or any other articles of commerce from India, a discretion should be left with your Governments abroad to supply that deficiency from the shipping to be found in India. But it ought to be adopted and adhered to as an

invariable rule, that the regular shipping to be sent from this country, should be in exact proportion to the amount of the investment expected home.

When I am thus adding the concurrence of my opinion to the weight of authority which the proposition derives from the unanimous sentiments of your most intelligent servants in India, I am only adhering to the principles I detailed when I moved the renewal of your Charter in 1793. It was upon an application of those principles that the provision was made in the Act of Parliament, directing the East-India Company to appropriate 3000 tons annually to the private-trade to and from India. Although I proposed that measure, I should be uncandid if I did not fairly acknowledge that experience has proved to be inadequate to the purposes for which it was intended. If the object had been only to try an experiment how far individuals were not more competent to the export of British produce and manufactures, than the East-India Company, no other objection would lie against the measure, except what

may be supposed to arise from the dearness of freight, at which the East-India Company could afford to give shipping of that description. But in so far as the provision went to secure the transfer of the capital of our servants in India to this country, through the medium of trade, it is clearly ascertained, that the measure was a nugatory one. I need not enter into an explanation of the reasons, for they are so distinctly and unanswerably stated, both in the correspondence of your Board of Trade at Bengal, and in the memorials presented by the merchants at Calcutta to your supreme Government in India, that I have only to refer you to the perusal of these documents, in proof of the inutility of that provision in the Act of 1793.

I am therefore clear, that clause in the Act ought to be repealed, and the Company relieved from the obligation it imposes upon them : and in place thereof, a power given to your Governments abroad to allow the British subjects, resident in India, to bring home their funds to Britain in the shipping of the country. I see in the records of the Company abroad, it is

suggested, that those ships should be contracted for by the Government, and re-freighted to the individuals. I do not exactly perceive what benefit arises from the Government having that kind of interference in the business; but if there is any good reason for it, there is not certainly any material objection against it. But it is material to attend to, and of course regulations will be made as to the time of sailing and other circumstances of detail, connected with the safe execution of the measure.

It may perhaps be objected, that this proposition is injurious to the regular shipping of the East-India Company, for the preservation of which system I have already given so decided an opinion.

The answer to this objection is two-fold. First, in point of fact, it will not diminish their shipping a single ton; for the East-India Company would not, if the measure was not adopted, send out a single ship more. They ought and will send out as much of the regular British-built India shipping as is necessary to bring home the whole of their investment, and they

will act improvidently if they send out one ton more. The only effect of this measure not being adopted, would be to extend the trade and shipping of other nations, but in no respect to add to the regular shipping of the East-India Company.

In the next place, those interested in the regular shipping of the East-India Company would do well to consider the benefits they already enjoy, in place of endeavouring to cramp and check the just pretensions of others. They ought to recollect the rapid progress they have made from the time of the Commutation Act; and, above all, they ought to recollect, that it has always been considered as a very problematical question, how far, consistent with the national interests, so much of the ship timber of the country ought to be appropriated to its commercial concerns, in the manner practised by the builders of India shipping. I am one of those, who think there are reasons of public expediency, connected with the very interest on which the objection is founded, which ought to prevent any principle of that kind

being inconsiderately acted upon. But one of the material grounds, upon which I am disposed to think that the objection I have referred to ought to be well weighed, before it is given way to, arises from the reflection, that we have a national resource in India, which ought to lead to the reverse of any invidious or unjust discouragement being given to the ship-building of India.

In some of the many speculations I have heard, and the publications I have perused on this subject, it is usual to ask, in a tone of complaint, if it is not unjust and unfair, that the merchants and shipping of this country, other than the shipping of the East-India Company, should be excluded from a participation of that trade, which is allowed to the subjects of foreign nations?

The statement, at first sight, may appear plausible; but when examined to the bottom, it has no solidity. In truth, it is only another mode of objecting to the monopoly of the East-India Company. If there are reasons of sound policy, why the Legislature has decided that

the Indian trade should be carried on by a monopoly, it is because, viewing the interests of the Public as one aggregate, it is of opinion, that those interests are best cared for by that mode of conducting the trade. Those, therefore, who state this objection, being themselves part of that whole, are, in common with the rest of his Majesty's subjects, reaping the benefit of that influx of national wealth and capital, which the East-India trade, so conducted, brings into the national stock. They cannot, therefore, more than others, because their occupation happens to be that of merchants or ship owners, complain of being injured by the means which the wisdom of Parliament has devised, for introducing that flow of wealth into the kingdom.

The case is totally different with regard to the subjects of foreign nations. They are not the objects of the care of the British Legislature ; neither are their interests, at all, in the view of its provisions. They reap no benefit, but the reverse, from the growing wealth and prosperity of the British Empire ; and therefore are, in no respect, on a footing of comparison with any of

the subjects of this country, to whom the restraints of the Company's Charter, for the reasons already assigned, do with perfect propriety apply.

It is quite a separate question, how far it would be right to hold our Indian possessions upon principles of colonial monopoly? and it would be deviating from the strict matter of the objection, to enter into that discussion in this place. It is sufficient, in point of fact, to observe, in answer to the Merchants and Ship-owners, that it is thought expedient for the interests of the Empire, at large, that the East-India possessions should not be regulated on the principles of colonial exclusion; and, therefore, no part of the subjects of Great-Britain can be permitted to set up a separate interest of their own, against that general policy. If the colonial principle was to be applied to the Indian territories, it would not advance, by one step, that separate interest set up by the Merchants and Ship-owners, to whom I now refer.

Another turn is given to this objection, in the mouth of the same objectors; and it is

asked,—why, at least, should not the Merchants and Ship-owners, subjects of his Majesty, resident in Britain, have the same indulgences which are contended for by his Majesty's subjects, resident in India? The answer is plain and conclusive,—that in contending for this indulgence to the British subjects resident in India, I am contending for a material national interest, which is no other than this, that their fortunes, capitals created in India, should be transferred from that country to this, in a manner most beneficial for themselves and the kingdom at large, in place of being transferred, through the medium of commerce, by foreigners, and thereby adding to the wealth, capital, and navigation of foreign countries.

There is not a single circumstance in which this applies to the case of merchants in this country. It might be proved, if necessary, that the only effect of giving such an indulgence to the merchants resident in this country, would be a temptation to withdraw a part of the capital of the country from a more profitable trade, and more beneficial application of it, in order to di-

vert it to another trade, less profitable to themselves and less beneficial to the public. Without, therefore, one single reason, either of private justice or public policy, it would be introducing a rival capital in India against the remittance trade of the East-India Company, and in competition likewise with those individuals, whose capitals, by the proposed indulgence, it is wished to transfer to Great-Britain.

It is argued, that the extension of this indulgence of the British merchants would be an additional encouragement to the export of British manufactures. I need only observe, that the argument proceeds on an erroneous view of the subject. The export trade to India can never be extended, in any degree proportionate to the wealth and population of the Indian Empire; neither can the returns upon it be very profitable to individuals. Those who attend to the manners, the manufactures, the food, the raiment, the moral and religious prejudices of that country, can be at no loss to trace the causes, why this proposition must be a true one. The importance of that immense Empire to this coun-

try, is rather to be estimated by the great annual addition it makes to the wealth and capital of the kingdom, than by any eminent advantages which the manufactures of the country can derive from the consumption of the natives of India. I do not mean to say, that the exports from this country to India have not been very considerably increased of late years; and I make no doubt, that, from recent circumstances, they may be still considerably increased. But the prospect, from the causes I have already referred to, must always be a limited one; and I am positive, that the shipping and exertions of the East-India Company, joined to the returned cargoes of those ships which bring home the private trade of India, is more than adequate to any present or future increase of export trade, that this country can look to upon any rational ground of hope.

In this view, therefore, the British merchants are equally mistaken, in supposing that there is any national interest implicated in their attempt to break in upon the monopoly of the Company,

as they are in supposing that any material benefit would accrue to themselves individually.

In some of the collections of papers I have read upon the subject of private-trade, I have observed a difference of opinion entertained, to what places in India it has been or ought to be allowed. I am at a loss to discover the grounds of this controversy. If individuals are to be allowed to bring goods from India in India shipping, and to carry back goods to India in the same shipping, I cannot see the ground for restraining them in coming from, or returning to any part in India.

In like manner, with regard to agents, provided they are licensed by the Company, and subject themselves to the control of the regulations which the Company may see cause to establish for the conduct of agents in India, I see no reasons why those agents may not be permitted to exercise their agency for behoof of their constituents in any of the territories of India. I state this with regard even to agency exercised for behoof of foreigners trading to

India. It is clearly beneficial for the interests of India, in every point of view, that foreigners should rather employ British agents residing under the protection of the Company in India, than that these foreign nations should establish agents of their own in any part of India. In the former case, they are under the control of the Company, and bound to adhere to such rules as the Company may think proper to lay down for the conduct of agency ; but there can exist no such control or restraint over the agents of the other description.

With regard to the agents to be employed at home to manage the private-trade of individuals from India, and to take care of their interest in the cargoes of the returning ships, I do not see the use of any interference by the Company. The great interest to be attended to on the part of the Company is, that no goods come from India that are not deposited in the Company's warehouses, and that the goods so imported are exposed at the Company's sales, agreeable to the rules prescribed for that purpose.

This letter has extended to a length far beyond what I intended or expected ; but I was desirous to have my opinion, on all the points connected with the subject, distinctly understood : and I shall less regret the trouble I have given you in the perusal of so long a letter, if I shall be successful in calling your attention to a speedy and final decision of the question, which has been too long in discussion, from the very discordant opinions and opposite extremes which have appeared in the agitation of it.

I have the honor to be, Sir,

Your most obedient humble servant,

HENRY DUNDAS,

The CHAIRMAN of the East-India
Company.

LETTER

FROM THE

RIGHT HON. HENRY DUNDAS

TO THE

CHAIRMAN.

SIR, *Wimbledon, 21st March, 1801.*

I have attentively perused and considered the resolutions which the Court of Directors unanimously came to on the 4th of February last, respecting the correspondence I have had with them, on the subject of the Private Trade between India and Europe; and it will not be necessary to trouble you with many additional observations on that subject. The resolutions are distinctly and clearly stated, and the proposition in the last of them, expressing a desire for a free and full discussion of this important

subject, is perfectly fair and candid, and the Court of Directors may rest assured, that upon this, and every other subject connected with their interests, I shall be ready and happy, in every situation, public or private, to give every aid to their deliberations which they may desire to obtain from me.

Upon the first, second, third, fourth, ninth, tenth, eleventh, and twelfth resolutions, I have only to observe, that my opinions entirely accord with the general principles detailed therein.

With regard to the fifth, sixth, seventh, and eighth, I only pause in giving any opinion, from not having before me the particular documents and materials, establishing the facts upon which those resolutions are founded.

The thirteenth resolution contains the principles and details of the measure, upon which the Court of Directors are disposed to act; and if the basis upon which the resolution proceeds is admitted to be the best which is applicable to the subject, the details seem aptly devised for the due execution of those principles. But it is upon the principle and basis of the measure

which I still have the mortification to find myself in a difference of opinion from those, whose integrity and talents I am equally bound to acknowledge ; and this radical difference is the more to be regretted, because the great object of solicitude which both parties entertain, is precisely the same. We are both strenuously maintaining, that the preservation of the monopoly of the East-India Company is essentially requisite for the security of every important interest connected with our Indian Empire ; and so deeply am I impressed with the truth of that proposition, I am prepared explicitly to declare, that although the first formation of an East-India Company proceeded upon purely commercial considerations, the magnitude and importance to which the East-India Company has progressively advanced, is now so interwoven with the political interests of the Empire, as to create upon my mind a firm conviction, that the maintenance of the monopoly of the East-India Company is even more important to the political interests of the State, than it is to the commercial interests of the Company.

With this conviction so strongly impressed upon my mind, you will give me credit, when I assure you, that I have reviewed my own opinions with the most jealous attention, and that I have weighed, with the most anxious care, the arguments of those who suppose, that the system which I have recommended is likely to produce any inconvenience or danger to the rights, privileges, and exclusive interests of the East-India Company; but it is my misfortune to view the subject in an opposite light. If any thing can endanger that monopoly, it is an unnecessary adherence to points not essential for its existence; and, on the other hand, if it is seen and felt by sober, thinking, and wise men, that every facility is given spontaneously by the Company, which can be given consistently with their commercial interests, and the political welfare of the State, that consideration will present an impregnable rampart against any attack, which at any time, either the secret or the avowed enemies of the Company may be disposed to make, against the system of Indian Government now established, in con-

nection with the exclusive Charter of the East-India Company.

; It was my intention to have entered more at large into a detailed consideration of this view of the subject; but since I began to write, I have received, and carefully perused, the letter of the 30th September last, recently transmitted from the Government General of India: and as that letter has, with clearness and perspicuity, ably detailed, and in my opinion, demonstrated the grounds of those opinions, which I have from time to time taken the liberty of laying before the Court of Directors, upon the subject of Indian trade, I should consider it as an unnecessary waste of time, if I was to trouble you with a repetition of the topics therein stated.

It is scarcely necessary for me to observe, that in all the discussions I have had on this subject with the Court of Directors, I have not been entitled to exercise any authority in the determination of the subject. It is a subject over which the Commissioners for the Affairs of India have no control; and whatever I have

stated, or now state, or may hereafter state, must be received from me in my individual capacity; and therefore if either my reasoning and judgment, or the reasoning of your Government abroad, has not the effect of varying the opinion of the Court of Directors, I trust you will not delay acting upon the principles detailed in the resolutions you have done me the honour to communicate to me; for the worst result that can arise from the discussion is, any further delay in coming to a decision upon it.

I have the honour to be, Sir,

Your most obedient humble servant,

HENRY DUNDAS.

The CHAIRMAN of the East-India
Company.

APPENDIX.

MINUTES of the COURT OF DIRECTORS, held on Wednesday, the 4th February 1801, containing the Resolutions of the Special Committee, adopted by the Court :—referred to in the preceding Letter.

THE Court proceeding to consider further the report from the Special Committee appointed to take into consideration the Letters from the Right Honorable Henry Dundas, of the 2d April and 28th June 1800; and the resolutions founded thereon, which were submitted to the Court on the 27th ultimo ;

The report was read, and on the question unanimously approved.

The said resolutions were then read ; and the Court approving thereof,

It was, on the question,

First. Resolved Unanimously, That in the opinion of this Court, the system by which the British possessions in the East are now held and governed, is the system best adapted to secure to the Nation the benefits, political and commercial, which are derivable from those possessions; and that the establishment of an open trade between them and Great Britain, would not only be subversive of the rights and privileges of the East-India Company, but without ensuring to this country commercial advantages, equal to those it now enjoys from them, pave the way for European coloni-

zation, and ultimately hazard the loss of those invaluable acquisitions.

Second. That it is therefore equally the interest of the Nation, and the duty of the Company, to guard against all principles and measures, which by an indefinite enlargement of the present channel of communication, in their nature tend to the introduction, immediate or gradual, of such an open intercourse, and its probable consequent colonization.

Third. That the East-India Company, far from entertaining the erroneous policy of limiting the industry and trade of their provinces to the demands of their own commerce, have given such encouragement to both, as they never received under the native government ; so that the ships of all Nations in amity with this country, have free admission there, and the maritime exports from India, exclusive of those for the Company, are now greater than they were at any former period.

Fourth. That if it were practicable it would not be expedient, to prevent the other European Nations, who, by privilege or concession, now trade with British India, from enjoying such a share of that commerce, as may serve to supply their own consumption of Indian commodities, and at the same time to bring bullion into our Eastern territories.

Fifth. That the regulations established by the legislature in 1793, with the professed view of extending the exports of this country to India, and bringing directly to it the trade clandestinely carried on by British capital from India to foreign ports in Europe and America, have not been misapplied, or evaded by the Company ; but that the Company have, as far as con-
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sisted with the necessary course of their own affairs; political and commercial, given effect to those regulations, though at a considerable expense to themselves; and that all allegations of the growth of the trade of foreigners with India, and the extension of the clandestine trade from India, by means of any such misapplication on the part of the Company, are unfounded.

Sixth. That according to the most authentic information which has appeared on the subject of clandestine trade, particularly the public register of exports and imports kept in Bengal, that trade has not, of late years, increased, but rather diminished; and that the amount of the clandestine trade of Bengal, the center of our Eastern power and commerce, whether the said trade has been fed by that part of the capital of British Residents which was not sent directly to this country, or by any other source, cannot, on an average of four years, ending with 1798-9, reasonably be estimated to have exceeded twenty-five lacs of rupees per annum.

Seventh. That from this important fact, as well as from a variety of other evidence, existing in the recent proceedings of the Company's governments abroad, it may safely be concluded, that any increase which has taken place in the course of the war, in the trade of Foreigners with our settlements, is the increase of a trade carried on, *bona fide*, for their own account, and, in a great degree, with specie which they import into India, and pay for the goods they export, and that this is a trade which, in sound policy, ought to be permitted.

Eighth. That the trade carried on with Europe from the Indian settlements of our enemies, the French,

French, Dutch and Spaniards, which is said to have greatly increased through the late mismanagement of the Company, flourished, long before the present times; in a greater degree than it does now, and could not have been depressed by any measures within the Company's power; nor would it be a wise policy, under the notion of bringing that trade to our ports, to nourish, as in fact we thus should, the source whence it proceeds.

Ninth. That as it is the wish of the Company to give free scope to the native powers of their Indian subjects in agriculture and manufactures, so it is also their wish to exercise the rights and privileges they possess in the government and commerce of India, not in the narrow spirit of rigid monopoly, but liberally to the benefit of the Nation at large. They thus, before the last renewal of their charter, occasionally permitted the importation of private goods on their ships, and encouraged the culture and importation of several valuable articles, on private account, particularly sugar and indigo, the latter of which has become one of the grand staples of the Indian trade, as both together constitute the chief causes of the increase in the sale amount of privileged goods for some late years. And the Company are still desirous to secure to the Nation all the trade which the capital of British Residents in India yet carries on from that country to Foreign Europe and America.

Tenth. That the only certain considerable capital, which at present exists in British India, for an export trade from that country to Europe, is formed by such part of the savings of British Residents in India, as is not remitted to England by bills of exchange, of one description

description or another, on the Company, who now provide so amply in this way for the purpose of transferring the fortunes of individuals ; and that the amount of such portion of the savings of British Residents, as is not sent home by bills on the Company, can never, in the nature of things, exceed a certain moderate limit, which will probably be estimated largely if taken at half a million sterling per annum. Should, indeed, the natives of British India desire to invest any money, *bona fide*, on their own account, in exports from India to Britain (to which it does not appear that they shew much disposition at present) this may be admitted under proper regulations, as an addition to the capital of Indian export to Europe ; and these two sources with any circulating property possessed by British traders and manufacturers in India, not in the service of the Company, which circulating property, in the whole, after allowing for the part of it that ought to be employed in the coasting trade of India, can hardly be imagined to amount to any considerable sum, supply the whole aggregate of the capital British India, applicable to an export trade in articles, either new or old, from that country to Europe.

Eleventh. That if to this aggregate capital, which may be termed the present maximum of the native stock of British India for a trade to Europe, it became a practice to add the capital belonging to private Residents in Great Britain, and transplanted to India for the purpose of forcing the productions of that country beyond the ability of its own means, this would be the introduction of one of the first principles of the colonial, or West-Indian system ; and if it were sanctioned, directly or impliedly, by any public regulation, it would
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tend greatly to extend the relations and intercourses between those countries and this, as well as to supersede, covertly, if not openly, the prohibition to Europeans not to occupy lands there, which prohibition is already, in a variety of instances, dispensed with; and thus, without any certainty of ultimate commercial benefit to the British Empire at large, a change would be commenced in the present system of Indian policy, which is allowed to be the best for the maintenance of those distant possessions.

Twelfth. That as the produce of every country must, in the course of things, bear a certain proportion or relation to the demand made for it, so there appears no reason to doubt, that the productions of British India, fit for the European market, whether raised by its own native stock of capital, as above described, or occasionally quickened by importations of bullion from foreign Europe and America, have usually had a current vent into one or other of the channels of trade now open with that country; that hence the alleged difficulties of conveying goods by the Company's ships have not prevented the disposal of all the produce which the capital of the country raised, and therefore the plea so often urged by persons interested in the private trade, that the Company should permit the *surplus produce of the country to be exported*, proceeds upon loose, erroneous implications, because when used in these general terms, it seems to convey what is not the fact, either that the Company wish to prevent the exportation of what they do not themselves require, or that the produce of the country remains on hand for want of sale; and when applied, more particularly, to infer that the surplus produce should be brought immediately

immediately to Britain; it does not discriminate the *bonâ fide* foreign trade to India which ought to be permitted.

Thirteenth. That as from an early period of the Company's territorial administration, the acquisitions of British subjects in India have, in a greater or less degree, unhappily supported the trade of foreign Europe from the East, and notwithstanding the means which the Company have used, by opening channels for the remittance of private fortunes, both in bills and in goods, directly to this country, that medium of conveyance through foreigners, appears to be, in some measure, still employed; this Court, following the principles before laid down, agree in opinion with the Right Hon. Henry Dundas, as to the expediency of affording to British Residents, who may chuse to convey their property to Europe in goods, whatever means, in addition to those already subsisting, may be fairly sufficient to induce them to consign those goods immediately to the mother country. And though the Court consider the fortunes of British individuals not remitted by bills on the Company (in which a very large sum is sent home annually) together with such consignments as European manufacturers and the natives of India may furnish from their own stock, to constitute a total capital of British India, at present applicable to a trade with Europe (that is, of capital originating in India, contradistinguished from capital transferred thither from Europe) yet being of opinion, that to remove all colour for complaint on this score, the Company may afford ample means for conveying in goods even the total remittable property of British Residents, they offer the following propositions for
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bringing accordingly the whole trade formed by that aggregate capital, as well as the consignments of European manufactures, directly to the port of London.

1. That in addition to the quantity of three thousand tons of shipping now annually allotted to the exports of individuals from India, three, four, or five thousand tons more, or as much as may be wanted, shall be assigned.
2. That the shipping to be thus annually employed shall be wholly applied to the use of private traders, and shall neither be destined nor detained for political or warlike services, in India, but sail from thence directly for the port of London, at fixed periods, within the fair weather season.
3. That the rate of freight from India on those ships shall, during war, be as low as that at which the Indian ships, arrived here in the present season, are chartered to the Company; and in time of peace, the rate of freight shall be proportionably reduced.
4. That all commodities of the *produce of the Continent, or of the British territories in India*, shall be permitted to be laden on those ships; excepting only piece goods, raw-silk, and saltpetre, which shall not be laden, unless by special license from the Company, or their Governments abroad.
5. That the goods to be exported on private account, be, as now, received into the Company's warehouses in India; and that the same care be taken in assorting them into cargoes, in due proportions

proportions of light and heavy goods, according to the deliveries into the warehouses, as is observed in forming the Company's own cargoes.

6. That these goods shall be brought to the Company's warehouses in London, and thence to their sales, in the regular order, subject to the charge of 3 per cent., now allowed to the Company, for lading, warehousing, and selling private goods.

7. That the ships to be employed in this service shall be built for the purpose by the Company, and shall be of the description best calculated for the proposed trade. In the opinion of this Court, they may be of the burthen of five hundred tons builder's measurement, or thereabout, and equipped on what is called the dismantled plan; but be manned with Europeans, and armed so as to make them equal, in point of safety and defence, to the best of the Indian ships which have come to this country. The size and equipment, however, of these ships, may be more minutely considered hereafter; and until they are built, other stout and proper ships, or the regular ships of the Company, as far as they shall be wanted, shall be employed in this service on the terms before-mentioned.

8. That when the private goods provided for exportation from India shall not serve to fill all the ships sent out for them the Company shall put gruff goods into those ships on their own account.

9. That if, at any time, the tonnage provided by the Company for private exports, should not be sufficient for all the goods prepared for exportation, it shall be allowable for the Governments abroad, on the part of the Company, to freight Indian ships, for the conveyance of such goods as cannot be otherwise accommodated; care being taken, that this concession be not strained beyond its just object, the ready and convenient transportation of private goods, furnished by the capitals of British Residents, or sent as the returns of British manufactures.
10. That no person shall be admitted to embark in this trade, as principal or agent, who is not licensed by the Company to reside in India.

Fourteenth. That although this Court is well convinced of the public views with which the Right Honorable Henry Dundas has countenanced the idea of bringing the produce of India, exported thence on account of British Residents, to this country, on private Indian ships, yet the proposals which have been brought forward by certain descriptions of men, both in India and in England, for the admission of their ships into the trade and navigation between India and Europe; proposals which extend to the establishment of a regular systematic privilege in favour of such ships, appear to this Court, when maturely weighed, and followed into all their operations, to involve principles and effects dangerous to the interests both of the Company and of the Nation. In the opinion of this Court, the adoption of those proposals would immediately and essentially affect both the system of policy which the Legislature has established, for

for maintaining the connection and communication between this country and British India and the chartered privileges of the East-India Company; and the introduction of any practice of this nature, would tend to widen, gradually and indefinitely, the channel of intercourse between India and Britain; to multiply the relations between individuals in the two countries; to pour Europeans of the lower sort into India, and Indian sailors into this country; to lessen, by both these means, the respect for the European character, which has hitherto contributed to maintain our ascendancy in the East; to disturb and shake our Government there; and, in a word, to lead progressively, but surely, to colonization.

With respect to the East-India Company, the introduction of this practice would set up a certain class of persons with peculiar privileges, who would, in effect, constitute another Company, having a common interest, and that interest very likely to be understood as opposed to the interest of the old Company, and hence to generate disputes and hostilities.

With respect to British subjects in general, new rights would thus be established in favour of a few, to which all might think themselves entitled, which many would endeavour openly or clandestinely to share (invited by the expected profits of freight as well as of trade), and in the end would unavoidably succeed in sharing; all which this Court fear, would tend, more and more, to throw the communication between the two countries quite open, and to remove that great and effectual medium, the East-India Company, by whom the connection has hitherto been preserved, so much to the benefit of both. And in a commercial
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view, the introduction of a privilege of this kind is unnecessary; since the true interest of this country does not require, that it should transfer capital to India to raise a trade there; since it is sufficiently evident, that there is in India itself no great capital, which wants to exert itself in the European trade : and since, for the conveyance to this country of the property of British Residents invested in merchandize, the Company are willing to make, and this Court now propose ample provision. The object of acquiring profit by the freight of ships, proposed to be thus introduced, instead of being an argument for their admission, is a strong argument against it ; because that object would excite the employment of private ships to and from India, independent of any previous occasion for them, for the transportation of goods, and thus force a trade, in which, sooner or later, merchants in Europe would become parties, and such various competition be introduced, as would necessarily tend to antiquate the present system of regulated monopoly, without any assurance of equal advantage and safety to the political, financial, and commercial interests of this country. And for all these reasons this Court cannot but earnestly deprecate the systematic admission of any such privilege, as is now required by the above descriptions of persons.

Fifteenth. That this Court, persuaded the view given in these resolutions of the important subject referred to their consideration, will be justified by the documents that have been before them, some of which, material in themselves, and others only lately arrived from India, they suppose have not yet been perused by the Right Honorable Mr. Dundas ; and persuaded, also, that it is the principle of that Right Honorable Gentleman,

man, fairly to maintain the rights and privileges of the East India Company, as therein consulting the true interest of the Nation, beg to propose a full discussion of this important subject with Mr. Dundas, in the deliberate manner observed at the late renewal of the Charter, and do accordingly lay before him the judgment of this Court, with all the reasons and authorities on which it is founded.

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